PRESENTATION OF THE BUDGET ESTIMATE FOR 1108 M. E.

Mr. P. V. Subramania Ayyar:—

Sir,

It is my proud privilege to present the budget for the year 1108 M. E. Ever since the inauguration of the Legislative Council, it fell to the lot of my predecessor in office to fill the place of the 'Finance Member' with high distinction and it was his uniform good fortune to have had to do only with peaceful budgets—rather what is called prosperity budgets. During this period it was possible for him to show surpluses year after year and accumulate them against any 'rainy day', as he stated in Council on one occasion.

2. Cochin had its bad days 25 years ago. Although its resources remained stagnant, the expenditure on the administration of the State on modern lines kept on increasing. Though the authorities responsible for the administration had foreseen the future of the State and taken steps to improve State finances, their efforts had not reached the stage of consummation. The Land Revenue Settlement had barely been effected; the Railway which had just then been constructed had not begun to show yield; the Forest Tramway which was brought into being by borrowed funds had not shown signs of proper working. There was, however, a turn soon enough to avert any financial chaos. It synchronised with the advent of Sir A. R. Banerji as Diwan of the State who put his shoulders to the wheel of administration with the zeal of a patriot. He revised the railway agreement with the South Indian Railway Company in a direction highly advantageous to the State; placed the Tramway under expert management; gave his final stroke to the completion of settlement operations, and introduced efficiency in all the departments of the State by a thorough overhauling of their working. The result was that an era of surpluses began and has continued till now. But, like every other civilised State, Cochin also has begun to feel the effects of the universal depression through which we

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are passing and which has shaken to its foundations the economic position of all nations and Continents throughout the world. Cochin is, however, more fortunate than most other States, for she has succeeded in balancing her budget and although this will unfortunately involve the institution of an income tax, the inhabitants of the State will still be more lightly taxed than those of most other countries. Moreover, with the development of the Railway and Harbour, which we have every reason to expect as a result of the works now in progress, the financial position of the State will be increasingly strengthened.

3. For the time being, however, we have, as I have stated already, now begun to feel the strain of financial stringency and the consequent necessity for effecting drastic economies; but I do not think that there is any room for pessimism in our future. Just as about two decades ago the State was faced with a similar situation as the outcome of a 'spirited financial policy' which resulted in the introduction of the Tramway and the Railway, we are now, with the introduction of the Railway conversion and the Harbour Schemes, passing through a phase similar in its incidents and antecedents and I feel confident that we will emerge, after the successful completion of these schemes, into a position greater and sounder than the present one. With these words by way of introduction, I now pass on to the

ACCOUNTS OF 1106.

4. Convention as well as necessity requires me to pass in brief review the accounts of the year that is past and those of the passing year so that they may form a fitting back-ground for a detailed picture of the financial position of the coming year.

The total receipts amounted to Rs. 70,16,637, as against Rs. 86,11,100 anticipated in the budget and Rs. 83,52,200 in the revised estimates for 1106. Compared with the actuals of the previous year, the receipts for 1106 showed a decrease of Rs. 23,50,753. This decrease was mainly noticeable under 'Customs' due to the non-realisation of the State's share of the Customs revenue to the extent of Rs. 17,49,715 from the British Government before the close of 1106; under 'Abkari & Ganja' due to economic depression and the temperance movement and under 'Forests' due to a far smaller sale of timber.

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